

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NORTH DAKOTA

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United States of America,)

Plaintiff,)

vs.)

Macalla Lee Knott,)

Defendant.)

- - - - -

FILE NO. 3:22-cr-10-01

T R A N S C R I P T

O F

P R O C E E D I N G S

Change of Plea - March 13, 2023

Pages 1-32

HELD AT: QUENTIN N. BURDICK UNITED STATES COURTHOUSE
655 FIRST AVENUE NORTH
FARGO, NORTH DAKOTA 58102

BEFORE: THE HONORABLE PETER D. WELTE

COURT REPORTER: KELLY A. KROKE

A P P E A R A N C E S

MR. CHRISTOPHER C. MYERS

COUNSEL FOR PLAINTIFF;

Office of U.S. Attorney
655 1st Avenue North, Ste. 250
Fargo, ND 58102

MS. TANYA M. MARTINEZ

COUNSEL FOR DEFENDANT;

Attorney at Law
3332 4th Avenue South
Fargo, ND 58103

P R O C E E D I N G S

(March 13, 2023, the following proceedings commenced at 2:35 p.m.):

THE COURT: We're on the record and the case before the Court is the *United States vs. Macalla Knott*.

Ms. Martinez, did I pronounce that correctly?

MS. MARTINEZ: Yes, you did, Your Honor. Thank you.

THE COURT: Thank you. Ms. Knott is present represented by Tanya Martinez. The United States is represented by Chris Myers. And we're here for a change of plea and the United States Department of Probation is not present but Dyan Jorgenson will be the probation officer assigned to this matter. That's Dyan Jorgenson.

I have a Third Superseding Indictment that I'm working from as Document 225 in this matter and, Ms. Knott, since we've kind of framed up the issue I think the next matter would be to have you placed under oath if you would please raise your right hand. Thank you. Lori will administer an oath.

(Oath administered.)

THE DEFENDANT: Yes.

THE COURT: Ms. Knott, how are you doing this afternoon?

1 THE DEFENDANT: I'm good. How are you?

2 THE COURT: I'm good, thank you. I'm doing
3 fine. You've been in custody since the 25th of August
4 give or take. Does that sound about right?

5 THE DEFENDANT: Yup.

6 THE COURT: Okay. And where have you been
7 in custody?

8 THE DEFENDANT: I was in Texas and then now
9 I'm in North Dakota, Cass County Jail.

10 THE COURT: Okay. All right. And during
11 this time in custody, Ms. Knott, have you had adequate
12 access to Ms. Martinez?

13 THE DEFENDANT: Yes.

14 THE COURT: Okay. And you understand why
15 we're here today?

16 THE DEFENDANT: Yes.

17 THE COURT: It's a pretty thick third
18 Superseding Indictment. It's a 26-page document and the
19 Plea Agreement itself is a 19-page document. So you've
20 had enough time to prepare for this hearing and to
21 proceed today?

22 THE DEFENDANT: Yes.

23 THE COURT: Okay. Are you satisfied with
24 the legal representation that you've received in this
25 matter?

1 THE DEFENDANT: Yes.

2 THE COURT: Okay. The Plea Agreement calls
3 for a voluntary plea of guilty to Count One, Four and
4 Five of the Third Superseding Indictment and then also
5 for an admission to the forfeiture allegation. You
6 understand that?

7 THE DEFENDANT: Yes.

8 THE COURT: Okay. Count One of the Third
9 Superseding Indictment is a drug conspiracy charge.
10 Count Four is a -- one moment please, is an
11 international money laundering conspiracy charge and
12 then there's Count Five, which is the charge of
13 continuing criminal enterprise. Those are the three
14 charges that you'd be pleading guilty to in the Third
15 Superseding Indictment.

16 Now, Ms. Knott, in addition to those pleas
17 of guilty, what's contemplated at sentencing is that
18 Count Two and Count Eight of the Third Superseding
19 Indictment would be dismissed. That's at least what I
20 see in the Plea Agreement.

21 THE DEFENDANT: Okay.

22 THE COURT: So, Ms. Knott, does that seem
23 like a summary of the Plea Agreement that you thought
24 you were coming to talk about today?

25 THE DEFENDANT: Yes.

1 THE COURT: Okay. Now, Ms. Martinez, would
2 you and your client wish the Court to specifically
3 review each particular count of the Indictment or would
4 you waive such a reading?

5 (The defendant and her counsel conferring.)

6 MS. MARTINEZ: We'll waive it, Your Honor.

7 THE COURT: All right. Thank you.

8 With regards to this Plea Agreement then,
9 Ms. Knott, voluntary pleas of guilty to One, Four and
10 Five and an admission to the forfeiture allegation. You
11 do understand that?

12 THE DEFENDANT: Yes.

13 THE COURT: Okay. And you understand that
14 this is not a Plea Agreement that's binding upon the
15 Court and it's also not binding on probation. You
16 understand that?

17 THE DEFENDANT: Yes.

18 THE COURT: So the practical consequence of
19 that -- even though you understand it and I have no
20 reason to believe Ms. Martinez hasn't reviewed that with
21 you, but the practical impact of that is that if the
22 Court imposes sentence that's not consistent with the
23 Plea Agreement or if the Department of Probation comes
24 up with something in the Presentence Investigation
25 Report that isn't to your liking, although you

1 definitely will have a chance to object and to place
2 that objection before the Court and to have the Court
3 rule on the objection, you wouldn't get to withdraw your
4 guilty plea because the Court's not a party to the Plea
5 Agreement and neither is probation.

6 You understand that?

7 THE DEFENDANT: Yes.

8 THE COURT: Okay. The factual basis in this
9 Plea Agreement is pretty important and the factual basis
10 is paragraph 6 which runs from page 2 of the Plea
11 Agreement all the way up to page I think it's 12.
12 That's correct, page 2 almost through page 12 is
13 paragraph 6 of this Plea Agreement. Now why do I bring
14 that up? I bring it up because paragraph 6 is meant to
15 establish a factual basis for the charges that you would
16 be convicted of here.

17 In order for the United States to sustain
18 their burden of proof, Ms. Knott, there must be a
19 factual basis that establishes the essential elements of
20 the three crimes to which you'd be pleading guilty and
21 also to the forfeiture allegation that you'd be
22 admitting, okay?

23 So with paragraph 6 of the Plea Agreement
24 what's going to happen here is if we get through this
25 hearing and you end up pleading guilty, I'm going to

1 adopt paragraph 6 and I'm going to give you a chance to
2 object to it, okay?

3 THE DEFENDANT: Okay.

4 THE COURT: Additionally, Mr. Myers is very
5 likely to put more facts on the record verbally and I'm
6 just going to instruct you at that time to listen up
7 because if he says anything that you don't agree with
8 Ms. Martinez will object for you, okay?

9 THE DEFENDANT: Okay.

10 THE COURT: All right. Now paragraph 7 from
11 the Plea Agreement which is beginning on page 12, it
12 sets forth the maximum sentences in this matter.
13 Maximum sentence to Count One is life in prison but
14 there's a 15-year minimum mandatory that's contemplated
15 in Count One. Maximum fine is \$20 million. Maximum
16 term of supervised release is 10 years and the maximum
17 special assessment is \$100.

18 On Count Four the maximum term of
19 imprisonment is 20 years. Maximum fine is \$250,000,
20 Ms. Knott. Maximum supervised release is three years
21 and there's a \$100 special assessment as well on that
22 count.

23 On Count Five the maximum term of
24 imprisonment is life and there's a minimum mandatory of
25 life. There's a \$2 million fine that's contemplated as

1 a maximum fine for Count Five, three years of supervised
2 release and a \$100 special assessment. Those are the
3 maximum sentences in this matter.

4 Do you have any questions for me about the
5 maximum sentences?

6 THE DEFENDANT: No.

7 THE COURT: Now by pleading guilty to these
8 crimes you would be surrendering and waiving your right
9 to a speedy and public jury trial.

10 THE DEFENDANT: Okay.

11 THE COURT: Okay. That right is not really
12 a stand-alone right. I mean, it is but it's actually
13 comprised of a whole bunch of other rights that go into
14 that. That includes the right to select the jury with
15 Ms. Martinez. You'd be surrendering and waiving your
16 right to pick a jury. You'd be surrendering and waiving
17 your right to require that the jury return a unanimous
18 verdict. If we went to trial I would instruct the jury
19 that I won't accept any verdict that is not a 12 nothing
20 verdict.

21 I would also instruct the jury that you're
22 presumed innocent and I would bring that up very early
23 in the jury selection process. I would talk about the
24 roles of the party of Mr. Myers to prosecute and
25 Ms. Martinez to defend zealously within the bounds of

1 the law. But I would say that your role would be just
2 to show up and be present; that you're presumed innocent
3 and that you have no role in this case. There's no
4 requirement that you testify. You have a privilege
5 against self-incrimination and that's one of your
6 rights. And if you chose not to testify I would
7 instruct the jury that that's your right and that they
8 can't infer that it means that you're guilty in any way.
9 In fact, I would tell them that it can't be evidence of
10 anything, your declining to testify or choosing not to
11 testify, because that's a constitutional privilege that
12 you hold.

13 THE DEFENDANT: Okay.

14 THE COURT: Okay. Now there's a burden of
15 proof in this matter. The burden of proof is proof
16 beyond a reasonable doubt. Now I spoke to you earlier
17 about you being presumed innocent. That means that
18 these are scales of justice and this here is Macalla
19 Knott. That means that since you're presumed innocent
20 you start out with an advantage, okay? The United
21 States must present enough evidence to overcome that by
22 proof beyond a reasonable doubt. That's the highest
23 burden of proof in our system and it's a burden of proof
24 that is solely borne by the United States. You have no
25 burden of proof in this matter.

1 THE DEFENDANT: Okay.

2 THE COURT: Okay. Now you also have the
3 right to present evidence and to present witnesses. And
4 if you couldn't get witnesses here voluntarily,
5 Ms. Martinez would let me know and I would order them to
6 appear for you and I would order them to testify for
7 you.

8 THE DEFENDANT: Okay.

9 THE COURT: Also you have the right to
10 examine the evidence of Mr. Myers and the United States
11 and you also have the right to cross-examine the
12 witnesses of the United States. You also have the right
13 to remain silent and I'm sure when you were arrested you
14 were advised of that right.

15 THE DEFENDANT: Yes.

16 THE COURT: Okay. Under the terms of the
17 Plea Agreement, I'm engaging in colloquy with you just
18 to make sure that I know that you know what you're
19 getting into and that your eyes are wide open, okay?

20 THE DEFENDANT: Okay.

21 THE COURT: Okay. So, Ms. Knott, all of
22 these are rights that you have under our constitutional
23 scheme and under case law and they're rights to a speedy
24 and public jury trial. You're surrendering and waiving
25 all of those rights by pleading guilty.

1 Do you understand that?

2 THE DEFENDANT: Yes.

3 THE COURT: Now is that a decision that
4 you've discussed and counseled with Ms. Martinez about?

5 THE DEFENDANT: Yes.

6 THE COURT: Okay. And you've also counseled
7 with her about the consequences of that decision?

8 THE DEFENDANT: Yes.

9 THE COURT: Okay. So let me phrase it
10 differently. Is this her decision or is this your
11 decision?

12 THE DEFENDANT: Mine because I'm guilty.

13 THE COURT: Okay. So you're pleading guilty
14 because you are, in fact, guilty of the offenses?

15 THE DEFENDANT: Yes.

16 THE COURT: Okay. Now you do understand
17 that the Court will impose sentence according to the
18 Sentencing Guidelines?

19 THE DEFENDANT: Yes.

20 THE COURT: Okay. That's set forth a little
21 bit in paragraph 10 but given the procedural posture of
22 your case and the substance of your case I just wanted
23 to briefly review with you the factors under 18 U.S.
24 Code 3553(a). Those are sometimes called the (a)
25 factors by the practitioners of the law and there's

1 seven of them.

2 They include the nature and the
3 circumstances of the offense and the history and the
4 characteristics of Macalla Knott. They include the need
5 for the sentence imposed to reflect the purposes of
6 sentencing. That means deterrence, respect for the law,
7 rehabilitation, protection of the public. These
8 purposes of sentencing must be a consideration of the
9 Court.

10 The Court must consider the types of
11 sentences available, including whether probation is
12 permitted or on the other end of the spectrum whether or
13 not there's a minimum mandatory sentence.

14 The Court must consider the sentencing range
15 that's established by application of the guidelines.
16 When Ms. Martinez was counseling you, I suspect at some
17 point she presented a grid to you that looks like this
18 (indicating). Does that look familiar?

19 THE DEFENDANT: Yes.

20 THE COURT: The Court must consider that
21 range. It's not mandatory on the Court. It's just
22 something that the Court must consider as an advisory
23 range.

24 The fifth factor that the Court must
25 consider are the policy statements that are set forth in

1 the United States Sentencing Guidelines, okay?

2 THE DEFENDANT: Okay.

3 THE COURT: The Court must also consider the
4 need to provide restitution of victims, Ms. Knott, and
5 also must consider the need to avoid unwarranted
6 sentencing disparities amongst defendants with similar
7 records who have been found guilty of similar conduct.

8 Those seven factors are the factors the
9 Court must consider under 18 U.S. Code 3553(a) in
10 imposing sentence, okay?

11 THE DEFENDANT: Okay.

12 THE COURT: That's a really long-winded way
13 of telling you that's what paragraph 10 is. Do you have
14 any questions about paragraph 10?

15 THE DEFENDANT: No.

16 THE COURT: You've reviewed that paragraph
17 with Ms. Martinez?

18 THE DEFENDANT: Yes.

19 MS. MARTINEZ: We have, Your Honor. I'm
20 looking through the many pages to find out.

21 THE COURT: Could you pull your mic down.

22 MS. MARTINEZ: I'm looking through the many
23 pages because I've lost where the Court is at now.

24 THE COURT: Absolutely. You'll need to bend
25 the microphone down to your voice box level and then I'm

1 on page 15 of the Plea Agreement. I just finished
2 page 14. At the bottom of page 14 is paragraph 10 of
3 the Plea Agreement.

4 MS. MARTINEZ: That's where we're at. Thank
5 you.

6 THE COURT: You bet. Feel free to stop us
7 at any time, okay?

8 MS. MARTINEZ: Thank you, Your Honor.

9 THE COURT: You're welcome.

10 Ms. Knott, the Plea Agreement as I mentioned
11 is binding upon the United States Attorney's Office and
12 you but not on the Court and probation. You understand
13 that?

14 THE DEFENDANT: Yes.

15 THE COURT: Now Mr. Myers is an Assistant
16 United States Attorney with the District of North
17 Dakota, okay? Now he represents that office.

18 THE DEFENDANT: Okay.

19 THE COURT: In this particular case there's
20 a Plea Agreement that's binding upon the United States
21 Attorney's Office for the District of North Dakota but
22 no other U.S. Attorney's Office or any local prosecutors
23 as well. You understand that?

24 THE DEFENDANT: Yes.

25 THE COURT: Okay. The parties are agreeing

1 that the base offense level under 5G1.3(b) as in boy is
2 life imprisonment. At sentencing the United States is
3 agreeing to recommend a two-level downward adjustment
4 for accepting responsibility and one level for timely
5 notification. At sentencing the United States will
6 recommend a sentence at the low end of the guideline
7 range or the minimum mandatory, whichever is greater,
8 and will move to dismiss Count Two and Eight of the
9 Third Superseding Indictment.

10 THE DEFENDANT: Okay.

11 THE COURT: Is that your understanding?

12 THE DEFENDANT: Yes.

13 THE COURT: I'm going to go off script a
14 little bit here. Mr. Myers, is there any reason to go
15 in-camera for this particular hearing today?

16 MR. MYERS: No, Your Honor.

17 THE COURT: Ms. Martinez, you agree with
18 that?

19 MS. MARTINEZ: I agree.

20 THE COURT: Okay. All right.

21 Now, Ms. Knott --

22 THE DEFENDANT: Yes.

23 THE COURT: -- I want to draw your attention
24 to paragraph 20 of the Plea Agreement which is on
25 page 17, okay? United States will file a Plea Agreement

1 Supplement in this case and they have done that and it
2 bears the signature of Chris Myers, your attorney,
3 Ms. Martinez, and you. Now they do that routinely in
4 every case whether there's additional terms or not,
5 okay? It's just a matter of course. You are
6 acknowledging that no threats or promises or
7 representations exist beyond the terms of this Plea
8 Agreement; is that true?

9 THE DEFENDANT: Yes.

10 THE COURT: Okay. You're waiving your right
11 to appeal this matter. You understand that?

12 THE DEFENDANT: Yes.

13 THE COURT: Okay. Now you're reserving the
14 right to appeal in two instances. One would be if the
15 Court imposes a sentence above the upper end of the
16 Court-determined guideline range. So when we get to
17 sentencing and I look at Ms. Jorgenson's PSIR and we
18 determine the guideline range, if I impose a sentence
19 above the upper end of that then the waiver of appeal
20 doesn't apply, okay?

21 THE DEFENDANT: Okay.

22 THE COURT: There's one other instance and
23 that is if you develop a claim of ineffective assistance
24 of counsel. Do you understand that?

25 THE DEFENDANT: Yes.

1 THE COURT: You're satisfied with your
2 lawyer, correct?

3 THE DEFENDANT: Yes.

4 THE COURT: Has she answered all of your
5 questions?

6 THE DEFENDANT: Yes.

7 THE COURT: Okay. Has there been any
8 questions that you've had that have gone unanswered?

9 THE DEFENDANT: No.

10 THE COURT: Has she been available to you as
11 you so desire?

12 THE DEFENDANT: Yes.

13 THE COURT: By pleading guilty you are
14 specifically waiving your right to seek to withdraw your
15 guilty plea in this matter. That means that after I
16 accept your plea you won't be given a chance to have
17 buyer's remorse.

18 Do you understand that?

19 THE DEFENDANT: Yes.

20 THE COURT: Ms. Knott, I've summarized the
21 Plea Agreement and I've gone over it with some level of
22 specificity. But you've indicated that you have
23 reviewed this Plea Agreement line for line and letter
24 for letter with your lawyer, correct?

25 THE DEFENDANT: Yes.

1 THE COURT: So you have read and you do
2 understand the Plea Agreement?

3 THE DEFENDANT: Yes.

4 THE COURT: Okay. Does the Plea Agreement
5 that I just reviewed with you represent your full
6 understanding with the United States?

7 THE DEFENDANT: Yes.

8 THE COURT: Okay. Other than what's in the
9 Plea Agreement, have there been any other promises or
10 assurances that have been made in order to get Kayla
11 Knott to plead guilty?

12 THE DEFENDANT: No.

13 THE COURT: Anybody threatened you to make
14 you plead guilty?

15 THE DEFENDANT: No.

16 THE COURT: You're pleading guilty because
17 you are, in fact, guilty of these crimes?

18 THE DEFENDANT: Yes.

19 THE COURT: Okay. And you understand that
20 it's a nonbinding Plea Agreement?

21 THE DEFENDANT: Yes.

22 THE COURT: And, Ms. Martinez, all formal
23 plea offers were communicated to your client?

24 MS. MARTINEZ: Pardon, Your Honor?

25 THE COURT: All formal plea offers were

1 communicated to your client?

2 MS. MARTINEZ: Yes, Your Honor.

3 THE COURT: Thank you. This would be a
4 felony conviction. There would be three of them
5 actually, which means that you would be not able to vote
6 or hold public office or serve on a jury or possess a
7 firearm.

8 Do you understand that?

9 THE DEFENDANT: Yes.

10 THE COURT: Okay. Any questions for me
11 about your rights?

12 THE DEFENDANT: No.

13 THE COURT: Any questions for me about the
14 Plea Agreement?

15 THE DEFENDANT: No.

16 THE COURT: Are you ready to enter pleas in
17 this matter, Ms. Knott?

18 THE DEFENDANT: Yes.

19 THE COURT: Okay. I'm going to walk through
20 these three counts with you. To Count One of the Third
21 Superseding Indictment, do you plead guilty or not
22 guilty?

23 THE DEFENDANT: Guilty.

24 THE COURT: To Count Four of the Third
25 Superseding Indictment, do you plead guilty or not

1 guilty?

2 THE DEFENDANT: Guilty.

3 THE COURT: And to Count Five of the Third
4 Superseding Indictment, do you plead guilty or not
5 guilty?

6 THE DEFENDANT: Guilty.

7 THE COURT: Okay. With regards to the
8 forfeiture allegation that's set forth in the Third
9 Superseding Indictment, do you admit or deny that
10 allegation?

11 THE DEFENDANT: Admit.

12 THE COURT: Okay. Now I talked about
13 paragraph 6 of the Plea Agreement starting on page 2 and
14 I believe that you've indicated to me that you have
15 reviewed paragraph 6 of the Plea Agreement with your
16 lawyer, correct?

17 THE DEFENDANT: Correct.

18 THE COURT: Okay. I'm going to adopt
19 paragraph 6 of the Plea Agreement as a framework for a
20 factual basis to sustain the essential elements of the
21 three pleas of guilty and the forfeiture allegation.
22 I --

23 MS. MARTINEZ: Your Honor -- I apologize,
24 Your Honor, what page are you on?

25 THE COURT: I'm actually back to page 2 of

1 the Plea Agreement but it is -- Ms. Martinez, it's
2 actually page 2 through 12 of the Plea Agreement.

3 MS. MARTINEZ: Got you. Thank you, Your
4 Honor.

5 THE COURT: Sure, paragraph 6. So I'm
6 adopting that by reference and incorporating it into
7 these proceedings. It bears your signature.

8 Ms. Martinez, do you have any objection to
9 paragraph 6?

10 MS. MARTINEZ: No, Your Honor. We've been
11 over this.

12 THE COURT: Okay. Now the second part of
13 this is I'm going to ask Mr. Myers if he wishes to add
14 anything. So just listen up right now and if he says
15 anything that you object to you'll get to posit that
16 objection at the end.

17 Go ahead, sir.

18 MR. MYERS: Thank you, Your Honor. And I'll
19 cover additional factual basis for all three counts here
20 today and the forfeiture allegation. This conspiracy
21 essentially began before 2019 but, as it relates to the
22 Indictment and the charges in this case, I'll focus on
23 2019 to the present.

24 Ms. Knott began to traffic drugs in the
25 St. Cloud area upon being released from prison in

1 Shakopee in the summer and fall of 2019 and through the
2 course of this conspiracy had two primary sources of
3 supply. Both of these individuals we've identified
4 fully. Both of them are Mexican Nationals. Both of
5 them are currently in Mexico.

6 Miss Knott began arranging transactions and
7 conducting transactions on numerous occasions in 2019
8 into early 2020. Primarily at that time it was large
9 quantities of methamphetamine, a pound, sometimes
10 multiple pounds. Of course, there were smaller
11 transactions and I won't go through all of the
12 transactions because there's hundreds and hundreds of
13 them through the course of this conspiracy by various
14 co-conspirators. As the conspiracy evolved, she
15 basically was a leader, manager and supervisor of this
16 conspiracy into Minnesota and other areas of the
17 midwest, including North Dakota.

18 In March of 2020 she decided to go down to
19 Mexico and lived in Mexico until her arrest in the fall,
20 early fall of 2022. From Mexico she was able to arrange
21 and manage shipments from the sources of supply into
22 Minnesota using various distributors and various people
23 to distribute, collect money and then send money back to
24 Mexico at her direction. Those people that she
25 supervised are listed in the Indictment and there are

1 more than five. As a matter of fact, there's probably
2 20. But I'll list those just for the record as alleged
3 in the Indictment that the Court's already adopted. But
4 Melanie Quick, Jeff Knott, Tiffany Keomany, James
5 Garner, Demian Hebert, Robert Radka, Joseph Myers and
6 Evan Laudinger. Each of these people played different
7 roles in the conspiracy. Some were involved in handling
8 money, concealing money, sending money. Others were
9 involved in transporting and distributing very large
10 quantities of methamphetamine. There was also cocaine
11 moved during the conspiracy and toward the end
12 quantities of fentanyl but it was primarily
13 methamphetamine during the conspiracy.

14 We've listed as overt acts in the Indictment
15 and Miss Knott was involved in directing and arranging
16 those shipments except for the hundred pounds of
17 methamphetamine and nine pounds of fentanyl in one of
18 the paragraphs. That was done after she was in custody
19 in Mexico or the United States. I don't remember the
20 dates but she was not involved in that particular
21 transaction. We've identified the source of supply in
22 Mexico that was responsible for that particular
23 transaction.

24 That would establish the continuing series
25 of transactions. There were numerous others and as part

1 of the conspiracy there was hundreds and hundreds of
2 pounds moved by Miss Knott of methamphetamine which
3 would establish the requisite quantity for a mandatory
4 life sentence as far as engaging in a continuing
5 criminal enterprise.

6 In the forfeiture allegation which is also
7 related to the substantial income prong of the
8 continuing criminal enterprise, we've alleged the
9 enterprise or conspiracy moved approximately \$10 million
10 and that is based on the drug quantity that we estimate
11 is involved. And we expect that to be a money judgment
12 at the end at sentencing and perhaps we can agree on the
13 requisite money judgment at that time. There's -- and
14 this is clear from the discovery now as it's evolved and
15 has -- and I wanted to highlight this for
16 Miss Jorgenson.

17 The drug quantity of methamphetamine is
18 fairly clear as it relates to hundreds of pounds of
19 methamphetamine. What is not clear is the quantity of
20 cocaine moved by this conspiracy and we, through the
21 cooperation of a number of witnesses, have determined
22 that some of the cocaine quantities may have been
23 embellished and we were provided false information and
24 that's been highlighted in the discovery. I wanted to
25 make sure that Miss Jorgenson was aware of that.

1 There was a ledger provided to us that
2 relates to 24 kilos of cocaine moved per month, and
3 we've determined through the assistance of a number of
4 witnesses that that may have been false. It doesn't
5 matter as it relates to the charges that Miss Knott is
6 pleading guilty to, but it may affect the overall
7 forfeiture money that relates to this overall
8 enterprise.

9 And so I just wanted to highlight that right
10 now. We're still investigating that and there have been
11 a number of witnesses that have helped us make that
12 determination. And so that's why there's a little bit
13 of uncertainty as to the monetary amount but suffice it
14 to say there was kilogram quantities of cocaine being
15 moved in any event. That's a large amount and
16 ultimately a large amount of fentanyl as well.

17 So I think that covers the elements of the
18 continuing criminal enterprise. Just to put a fine
19 point on the elements of the money laundering
20 conspiracy, as I noted there were a number of people
21 moving money through various financial transactions,
22 money transmitting systems like Western Union or bank
23 transfers or monetary moving systems like Remitly. And
24 they would move this money and send it to various
25 designees in Mexico.

1 And so Miss Knott would tell, for example,
2 Melanie Quick: Send the money to Kimberly Eder in
3 Mexico, or Eder Kimberly I think is the name, in Mexico,
4 and Melanie would then send the money to that designee
5 who was somebody that was working on behalf of the
6 organization just to accept the money. And so the
7 purpose of that -- the movement of money in that fashion
8 was to conceal the nature and source of the income that
9 was being provided by sending it to people that were not
10 necessarily involved in the actual drug trafficking.
11 And it was also done to further promote the ongoing
12 conspiracy.

13 And so there was a number of people involved
14 in this aspect. Tiffany Keomany sent and received a
15 bunch of money as well as distributed large quantities
16 of methamphetamine. So when I say these -- there were
17 numerous people having different roles, some of them
18 were drug trafficking and receiving and sending money.
19 Some just played the part of money. Some just played
20 the part of drug trafficking. But they all took
21 direction at some level from Miss Knott who again was in
22 Mexico.

23 Law enforcement then identified where she
24 was in Mexico. She was apprehended and because she's a
25 U.S. citizen was expelled from Mexico and was quickly

1 transported to Brownsville, Texas where I think she
2 mentioned she was housed for a short amount of time
3 before being brought up here. So I think I've covered
4 broadly, Judge, the elements for the charges.

5 I noted in previous hearings and I'll note
6 it again for the record venue for North Dakota. In the
7 fall of 2021 West Fargo and Fargo PD began purchasing
8 methamphetamine here in Fargo from a lady named Mary
9 Thompson. Mary Thompson was selling methamphetamine
10 here in Fargo on a number of occasions where law
11 enforcement made controlled buys from her. Ultimately
12 they arrested her with I think a quarter or a half-pound
13 of meth here in Fargo. She began to cooperate and she
14 ultimately arranged for the arrest of Robert Radka who
15 is from Melrose, Minnesota and from there the
16 investigation exploded identifying Kayla Knott as being
17 responsible for arranging shipments to Robert Radka and
18 Joe Myers.

19 And so I think I've created an adequate
20 record for the factual basis here in a summary fashion.
21 There's a lot more to the story, Judge, but I think that
22 covers it.

23 THE COURT: Mr. Myers, I certainly don't
24 mean to lose the forest for the trees here but Ms. Knott
25 was in Mexico. The arrest warrant was issued for her.

1 Actually there were several in the record that were
2 issued and you indicated that she was expelled and
3 apprehended in Brownsville but I see that the record
4 seems to indicate she was arrested in the Northern
5 District of Texas. I thought Brownsville was --

6 MR. MYERS: Yeah.

7 THE COURT: -- on the border.

8 MR. MYERS: I might have the city wrong,
9 Judge.

10 THE COURT: It's not important to the
11 factual basis but --

12 MR. MYERS: In any event she was expelled by
13 Mexican immigration and FBI arranged for an appearance
14 in Texas so I might have the city wrong. I know
15 Brownsville has been on the news so maybe that's where I
16 thought of it but it might have been a different city.
17 Miss Knott would know.

18 THE DEFENDANT: I think it's Johnson County.
19 I was in Johnson County and it's in Dallas I believe.

20 THE COURT: Okay. Well, regardless it
21 just -- I was trying to follow, especially with regards
22 to the continuing criminal enterprise. Thank you,
23 Mr. Myers.

24 Ms. Martinez, any objection to the factual
25 basis as set forth by the United States?

1 MS. MARTINEZ: No, Your Honor.

2 THE COURT: Okay. Well, Ms. Knott, it is
3 the finding of the Court that you are fully competent.
4 You're clearly fully capable of entering informed pleas
5 in this matter.

6 THE DEFENDANT: Yes.

7 THE COURT: It's the finding of the Court
8 that you are aware of the nature of the charges and of
9 the consequences of pleading guilty, and it's the
10 finding of the Court that your pleas, all three of them,
11 and the admission are knowing and voluntary pleas and
12 they are supported by an independent basis in fact
13 containing each of the essential elements of the three
14 offenses charged and the forfeiture that is alleged.
15 Your pleas and admission are accepted. You are now
16 adjudged as guilty. I make the same findings on the
17 civil forfeiture per the civil standard.

18 I will order a Presentence Investigation
19 Report and, Ms. Knott, what that means is that Dyan
20 Jorgenson's going to be reaching out to you to
21 communicate with you and there will be an interview by
22 her for the Presentence Investigation Report. And
23 she'll develop this report and the parties will have
24 chances to object to it and then we'll use that report
25 to impose sentence according to paragraph 10 of the Plea

1 Agreement and according to the letter and the spirit of
2 the law and the Plea Agreement itself.

3 Now every step of the way you have the right
4 to counsel so it isn't like Ms. Jorgenson's going to
5 reach out to you without Ms. Martinez there. When you
6 have your interview with probation, Ms. Martinez will be
7 there, okay?

8 THE DEFENDANT: Okay.

9 THE COURT: All right. What's your date of
10 birth?

11 THE DEFENDANT: 10/19/1992.

12 THE COURT: So you're just barely 30 years
13 old.

14 THE DEFENDANT: Yeah.

15 THE COURT: Okay. Do you have any questions
16 for me about how this goes moving forward?

17 THE DEFENDANT: No.

18 THE COURT: Okay. I have a sentencing date
19 and the sentencing date that I have right now is Monday,
20 August 7, at 9 a.m.

21 Mr. Myers, do you think that works for the
22 United States?

23 MR. MYERS: That would be fine, Judge. I
24 anticipate the parties will request that date be moved
25 so -- and, of course, it will take some time for

1 Miss Jorgenson to digest the discovery in this case
2 so -- but that's fine for us.

3 THE COURT: Okay. Ms. Martinez, for the
4 defense?

5 MS. MARTINEZ: Agreed.

6 THE COURT: Okay. We'll set it for Monday,
7 August 7, and then we'll tickle the file expecting that
8 it will likely be moved. I think that covers
9 everything, Ms. Knott. Do you have any questions for
10 the Court?

11 THE DEFENDANT: No.

12 THE COURT: Ms. Martinez, anything further
13 on behalf of the defense?

14 MS. MARTINEZ: No, Your Honor.

15 THE COURT: Mr. Myers, anything further on
16 behalf of the United States?

17 MR. MYERS: No, Your Honor. Thank you.

18 THE COURT: Thank you. All righty. Good
19 luck to you, Ms. Knott, and we'll see you sometime in
20 August or a little later.

21 THE DEFENDANT: Okay, thank you.

22 THE COURT: Thank you. We're in recess.

23 (Adjourned at 3:15 p.m.)
24
25

CERTIFICATE OF REPORTER

I, Kelly A. Kroke, a duly appointed
Registered Professional Reporter;

DO HEREBY CERTIFY that I reported in
shorthand the foregoing proceedings had and made a
record at the time and place indicated.

I DO HEREBY FURTHER CERTIFY that the
foregoing and attached (32) typewritten pages contain an
accurate transcript of my shorthand notes then and there
taken.

Dated this 5th day of February, 2025.

/s/Kelly A. Kroke

KELLY A. KROKE - RPR, RMR
United States District Court Reporter
District of North Dakota
Eastern Division